

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
Jackson Division

_____)	
UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	Civil Action No. 03-CV-325
v.)	
)	Judge Wingate
PURSUE ENERGY CORP.)	
)	
Defendant.)	
_____)	

SETTLEMENT AGREEMENT

WHEREAS, on or about September 20, 2002, the Defendant, Pursue Energy Corporation, filed a petition for reorganization under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101, et seq., as amended (the "Bankruptcy Code") (In re Pursue Energy Corporation, Ch. 11, Case No. 02-05339-JEE- 11 (Bankr. S.D. Miss.) (the "Bankruptcy Proceeding")); and

WHEREAS, on or about February 25, 2003, the United States, on behalf of the Environmental Protection Agency (the "EPA"), filed a Proof of Claim against the Defendant in its Bankruptcy Proceeding in connection with the Industrial Pollution Control Superfund Site ("Site") located at 810 Poindexter Street, Jackson, Hinds County, Mississippi;

WHEREAS, on or about February 28, 2003, the United States, on behalf of the EPA, filed the instant lawsuit in the United States District Court seeking to fix the amount of the Defendant's liability in connection with the Site;

WHEREAS, the proof of claim asserts a claim, pursuant to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et

Hazardous Substance Superfund.” If made by check, each check shall reference the Site name (the “Industrial Pollution Control Superfund Site”), the EPA Region (“EPA Region 4”), and the Site/Spill ID Number (“A4N1”) and shall be sent to:

EPA Superfund
U.S. EPA Region 4
P.O. Box 100142
Atlanta, GA 30384

Attn: Collection Officer in Superfund

At the time of payment, the Defendant/Debtor shall send notice that such payment has been made to:

Paula V. Batchelor
EPA - Reg. 4
4WD-PSB/11th Floor
61 Forsyth Street, S.W.
Atlanta, GA 30303

3. Notwithstanding anything herein to the contrary, only the amount of cash received by EPA (or net cash received by EPA on account of any non-cash distributions) from the Debtor under this Settlement Agreement for EPA’s allowed Unsecured Claim, and not the total amount of the allowed claim, shall be credited by EPA to its account for the Site, which credit shall reduce the liability of non-settling potentially responsible parties to EPA for the Site by the amount of the credit.

4. In consideration of the payments or distributions that will be made by the Defendant/Debtor under the terms of this Settlement Agreement, and except as provided in paragraph 5, the United States hereby covenants not to bring a civil action or take administrative action against the Covered Parties pursuant to Section 107 of CERCLA relating to the Site. This

covenant not to sue is conditioned upon the complete and satisfactory performance by the Defendant/Debtor of its obligations under this Settlement Agreement. This covenant not to sue extends to the Defendant/Debtor and its parents, subsidiaries successors, assigns, and affiliates (including, without limitation, Hunt Dominion Corporation, Petro-Hunt, L.L.C. and Hassie Hunt Exploration Company) and their respective officers, directors, employees, administrative contract personnel, attorneys and agents (collectively with the Defendant/Debtor, the "Covered Parties") but does not extend to any other person.

5. The covenant not to sue set forth in the previous paragraph does not pertain to any matters other than those expressly specified in the previous paragraph. This Settlement Agreement is without prejudice to all rights of the United States against the Covered Parties with respect to all other matters, and specifically with respect to: liability for damages for injury to, destruction of, or loss of natural resources; liability for response costs that have been or may be incurred by federal agencies which are trustees for natural resources; claims based on a failure by the Debtor to meet a requirement of this Settlement Agreement; and claims for any site other than the Industrial Pollution Control Superfund Site.

6. With regard to claims for contribution against the Covered Parties for matters addressed in this Settlement Agreement, the Covered Parties are entitled to such protection from contribution actions or claims as is provided by CERCLA Section 113(f)(2), 42 U.S.C. § 9613(f)(2). The order approving this Settlement Agreement by the United States District Court, by approving this Settlement Agreement, is deemed to provide that no person, entity or party may assert claims for contribution or indemnification against the Covered Parties with respect to the Site.

7. The Defendant/Debtor covenants not to sue and agrees not to assert any claims or causes of action against the United States with respect to the Site, including but not limited to: any direct or indirect claim for reimbursement from the Hazardous Substance Superfund, any claims for contribution against the United States, its departments, agencies or instrumentalities, and any claims arising out of response activities at the Site. Nothing in this Settlement Agreement shall be construed to constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611 or 40 C.F.R. § 300.700(d).

8. Nothing in this Settlement Agreement shall be construed to create any rights in, or grant any cause of action to, any person not a party to this Settlement Agreement, except as expressly provided herein.

9. Debtor's entry into this Settlement Agreement will be subject to Bankruptcy Court approval pursuant to Bankruptcy Rule 9019. Defendant/Debtor agrees to exercise its best efforts to obtain the approval of the Bankruptcy Court. The EPA agrees to support such Bankruptcy Court approval. The EPA shall lodge this Settlement Agreement with the District Court within 5 days of its approval by the Bankruptcy Court; shall submit it for public comment within 14 days of approval by the Bankruptcy Court by placing notice of the Settlement Agreement in the Federal Register for a period of 30 days. The United States reserves the right to withdraw or withhold its consent if the public comments regarding the Settlement Agreement disclose facts or considerations which indicate that the Settlement Agreement is inappropriate, or improper, or inadequate.

10. If this Settlement Agreement is not authorized and approved by the Bankruptcy Court and District Court, this Settlement Agreement shall be of no force and effect,

whereupon nothing herein shall be deemed an admission of any fact or waiver of any right of either party with respect to the matters contained herein.

11. This Settlement Agreement represents the complete agreement of the parties hereto on the matters referred to herein and supersedes all prior agreements, understandings, promises and representations made by the parties hereto concerning the subject matter hereof. This Settlement Agreement may not be amended, modified or supplemented, in whole or in part, without the prior written consent of the parties hereto and the approval of the Bankruptcy Court and the District Court.

FOR THE UNITED STATES OF AMERICA

Date

ELLEN M. MAHAN
Deputy Chief
Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice

Date

KARL J. FINGERHOOD
Trial Attorney,
Environmental Enforcement Section
U.S. Department of Justice
P.O. Box 7611 Washington, D.C. 20044-7611
Telephone: (202) 514-7519
Telefax: (202) 514-2583

Date

KATHLEEN WEST
Assistant Regional Counsel
U.S. EPA, Region 4

FOR DEFENDANT/DEBTOR PURSUE ENERGY CORP.

Date

Name of Defendant/Debtor

Address

Telephone Number

By:

Name of Officer (please type or print)

Signature of Officer

Title